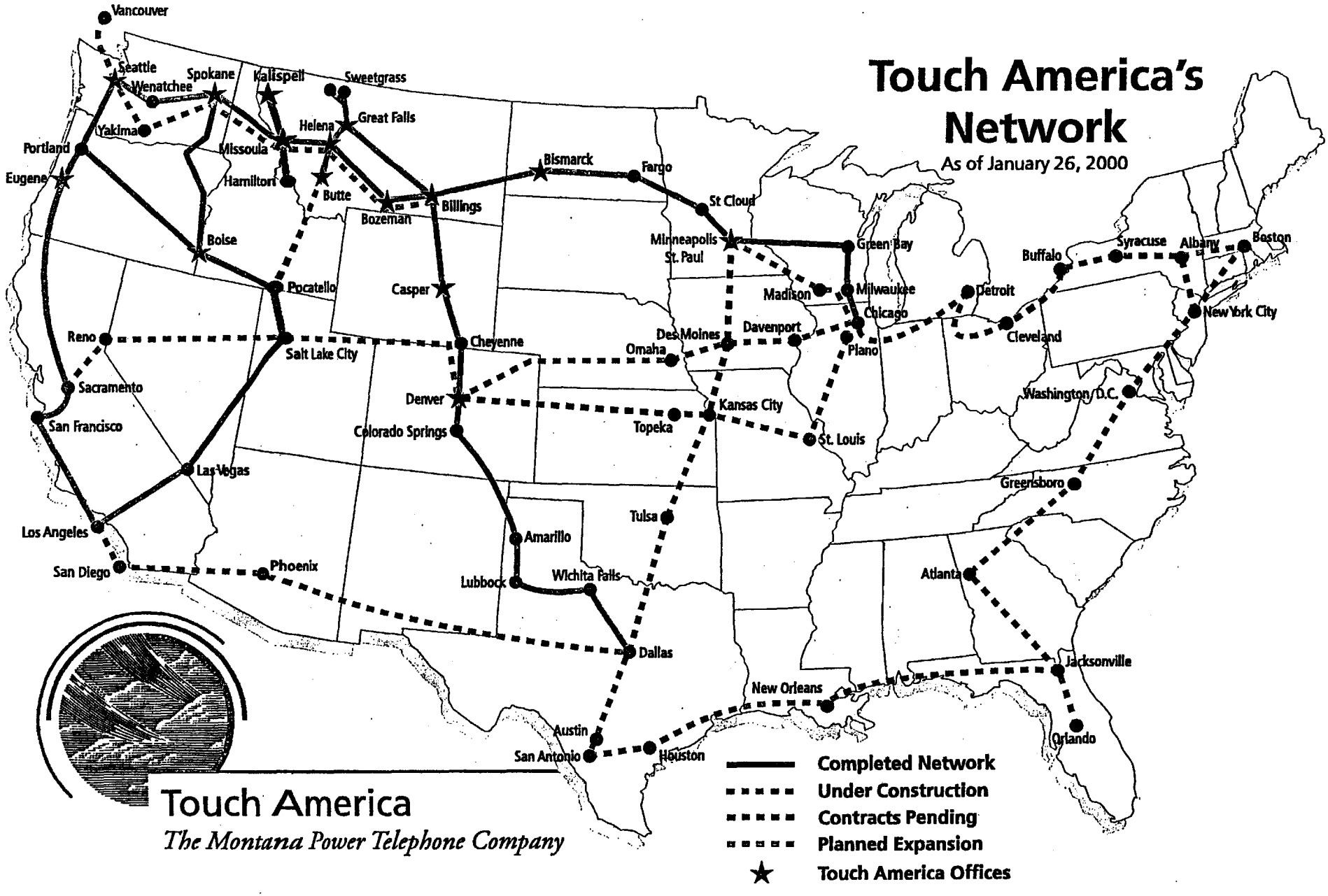

Touch America's Network
As of January 26, 2000
Vancouver
Seattle
Wenatchee
Spokane
Kalispell
Sweetgrass
Yakima
Great Falls
Helena
Portland
Missoula
Eugene
Hamilton
Butte
Bismarck
Fargo
Billings
Bozeman
St Cloud
Boise
Minneapolis
St. Paul
Green Bay
Buffalo
Syracuse
Albany
Boston
Pocatello
Casper
Madison
Milwaukee
Detroit
Chicago
New York City
Reno
Salt Lake City
Cheyenne
Des Moines
Davenport
Omaha
Plano
Cleveland
Sacramento
Denver
Kansas City
Washington D.C.
San Francisco
Colorado Springs
Topeka
St. Louis
Las Vegas
Greensboro
Tulsa
Los Angeles
Amarillo
Atlanta
San Diego
Phoenix
Lubbock
Wichita Falls
Dallas
Jacksonville
New Orleans
Austin
Orlando
San Antonio
Houston
Completed Network
Under Construction
Contracts Pending
Planned Expansion
Touch America Offices
Touch America
The Montana Power Telephone Company

TA's Broadband Capabilities The Network

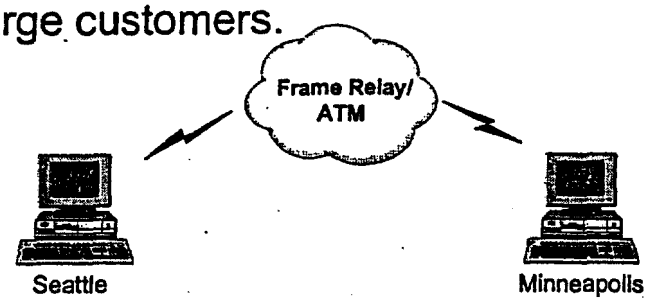
- 100% fiber optic network using Corning SMF-28, LS, or LEAF fiber.
- Entire backbone network is OC-192.

  Optronics capability includes OC-3, OC-12, OC-48, and OC-192.
- DWDM (Dense Wave Division Multiplexing) with 32 windows.
- Nortel, Cisco, and Ascend equipment.
- Fully redundant SONET Ring architecture.

TA's Broadband Capabilities State-of-the-Art Services

Private Line Services

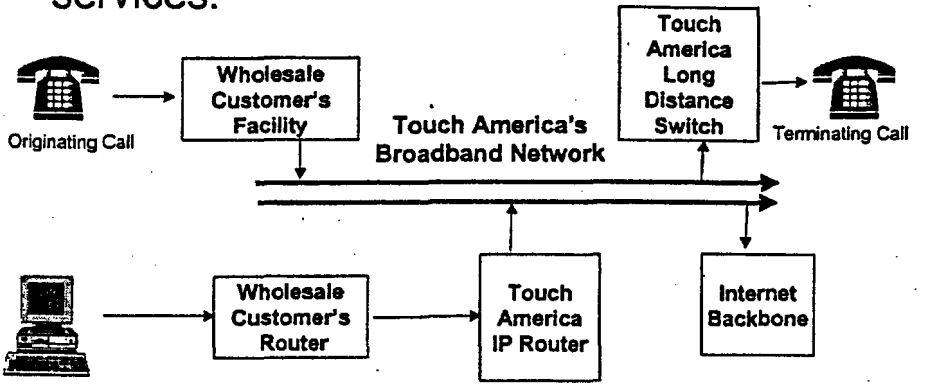
- Provide wholesale bandwidth and collocation services.
- Provide ATM and frame relay services to large customers.



TA's Broadband Capabilities State-of-the-Art Services

Long Distance and Internet Service

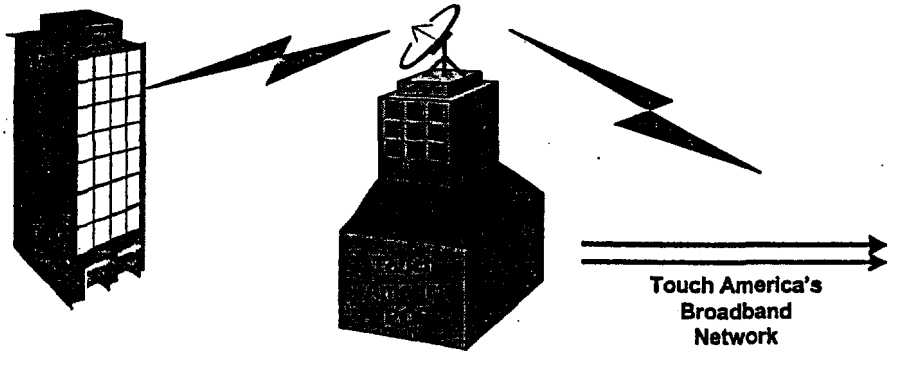
- Provide wholesale long distance and Internet services.



TA's Broadband Capabilities State-of-the-Art Services

Wireless Services

- Provide "last mile" connection to customers.



TA's Strategy

- Provide carrier's carrier service in existing and new markets.

  Wholesale bandwidth and collocation services

- Develop alliances and joint ventures, and make acquisitions.

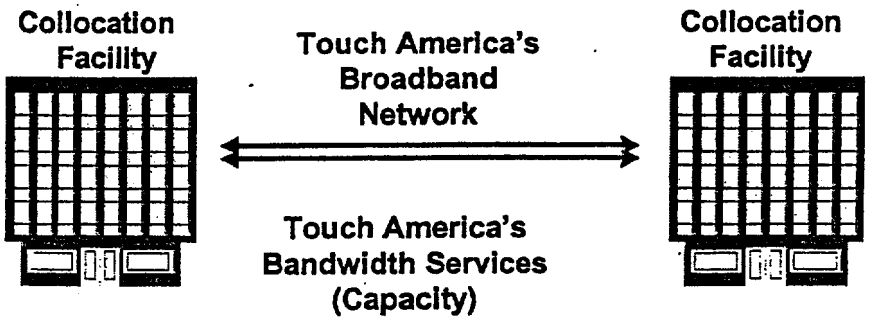
  Incumbents

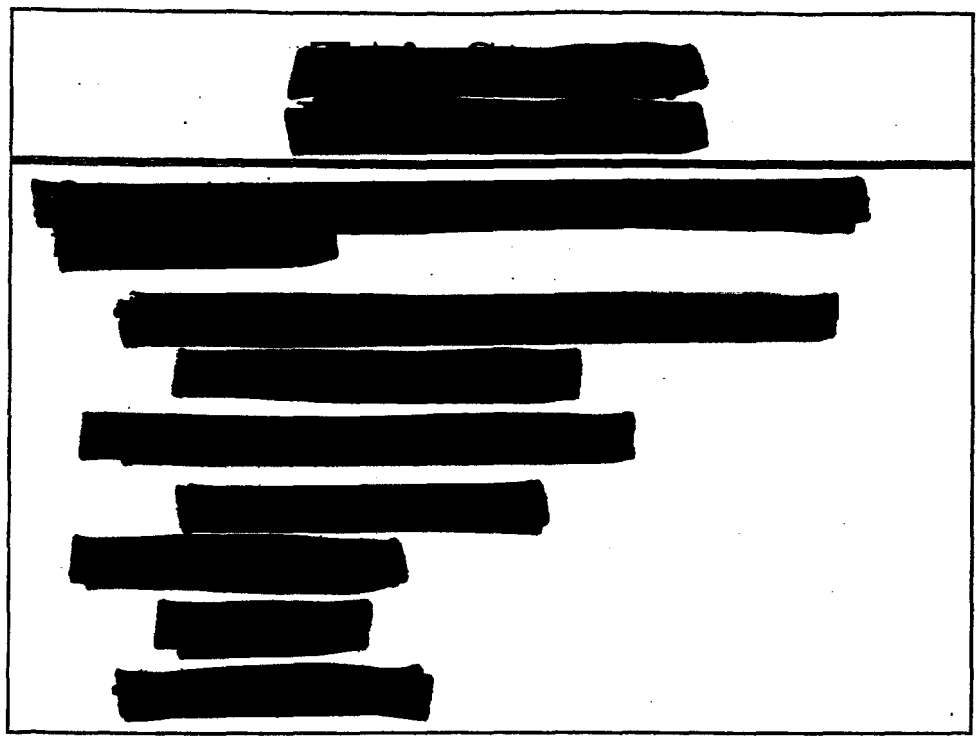
  Utilities with telecom assets

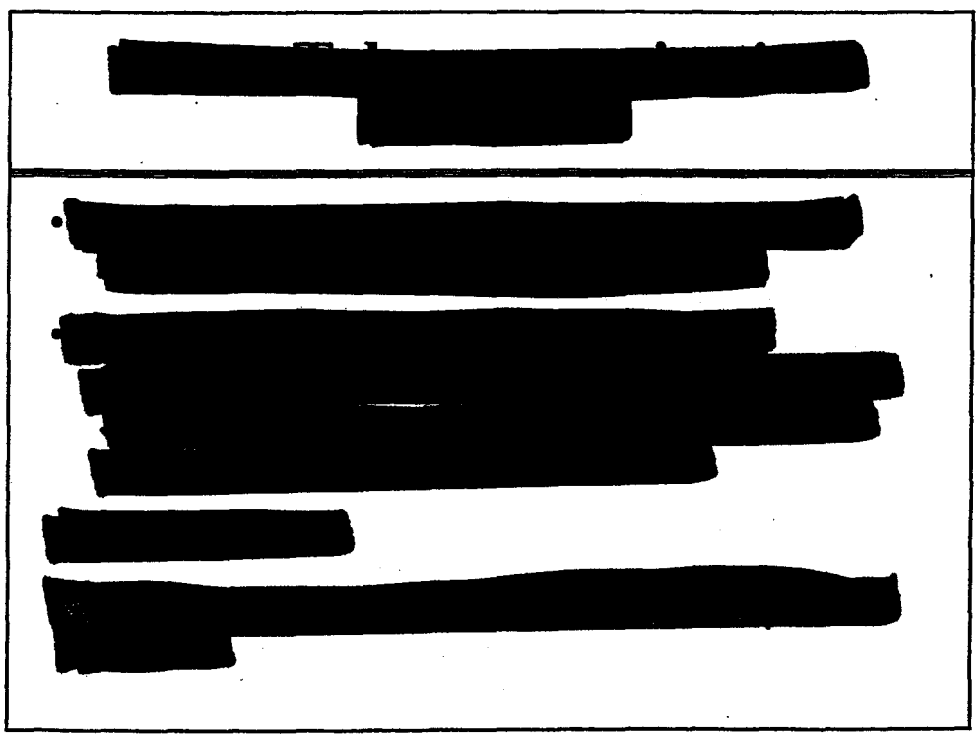
- Provide "last mile" solutions.

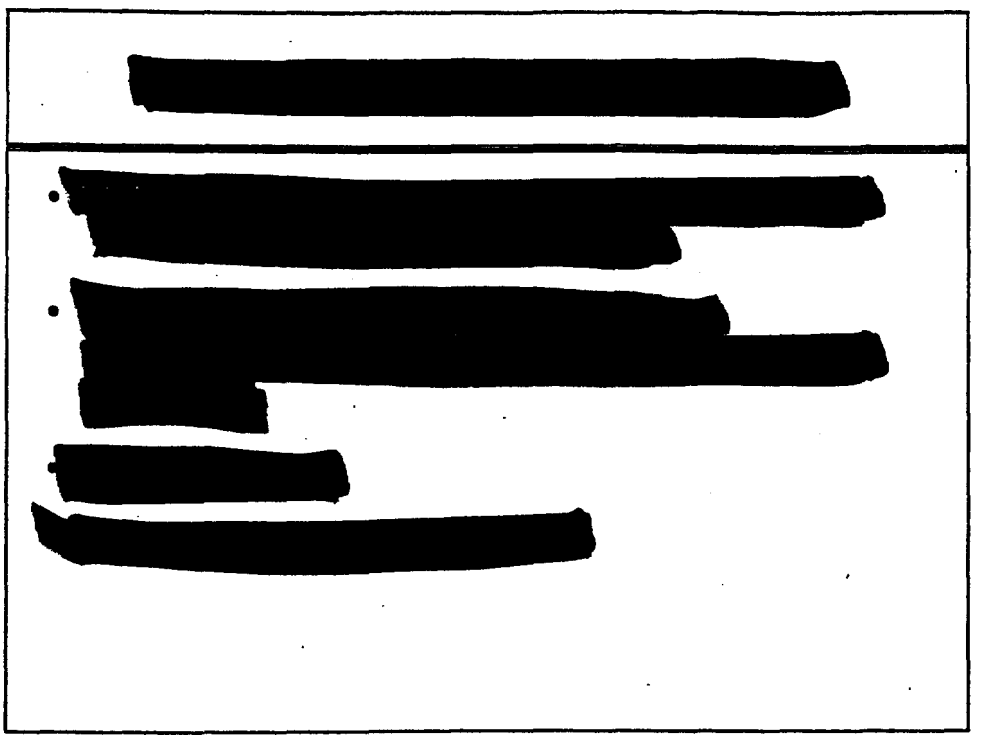
TA's Strategy
Carrier's Carrier Service

- Provide wholesale bandwidth and collocation services to other telecom carriers.

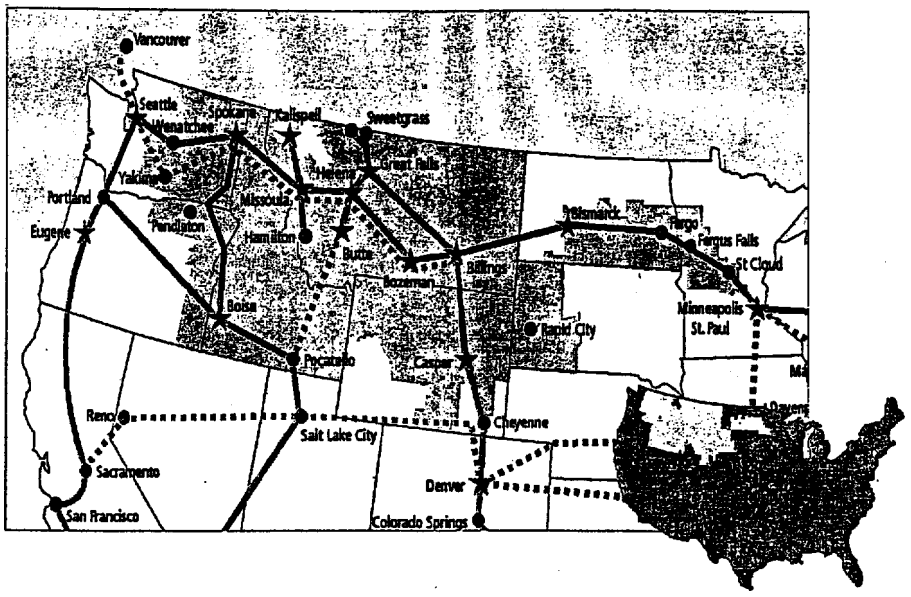








Touch America's PCS Area



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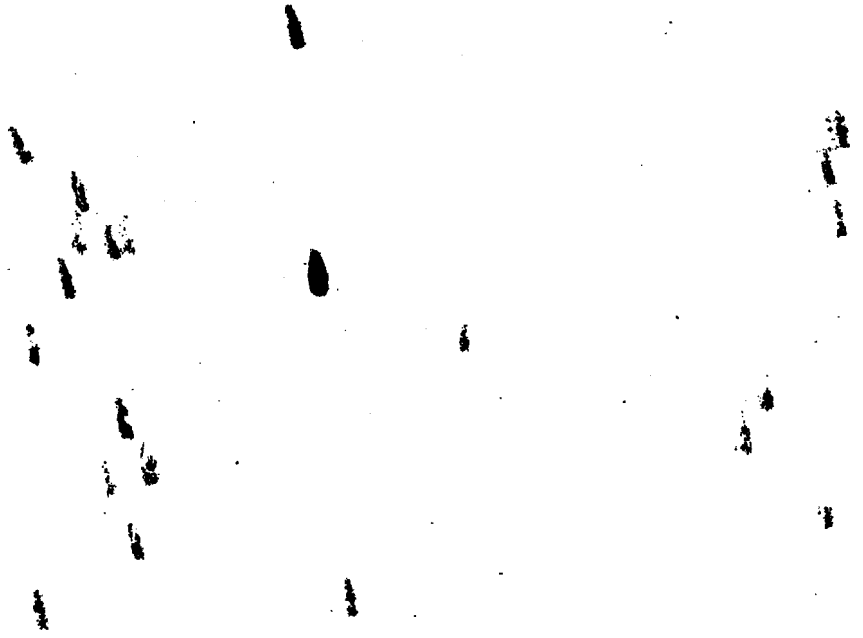
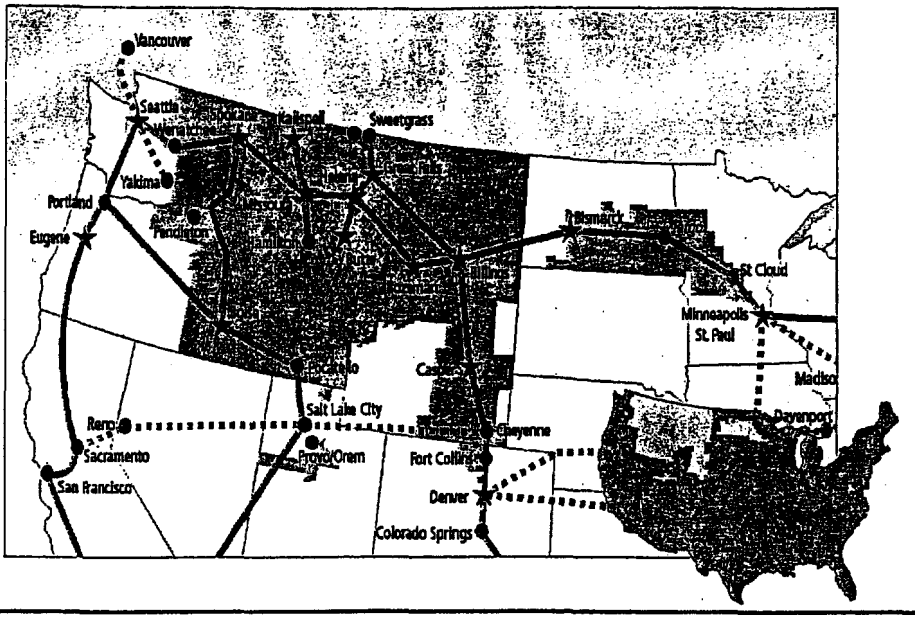
TA's Strategy "Last Mile" Solutions

[redacted]

- Local Multi-point Distribution Services (LMDS) licenses
- LMDS-PCS connection



Touch America's LMDS Area



TA's LMDS Build Out

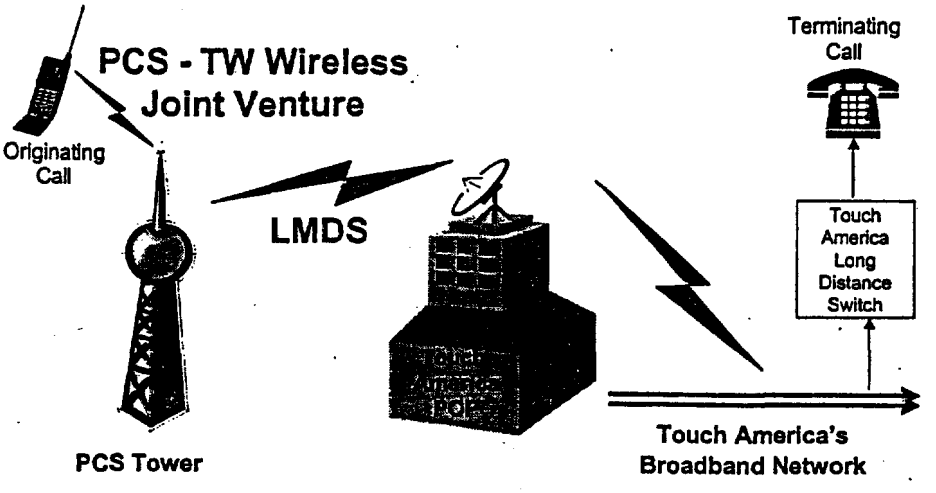
- 25 LMDS wireless licenses covering nine states with a total population of 4.5 million.
- $15 million initial build out to 25 cities.

  Initial installation in operation in Billings and Butte, MT.

  Initial installation in Spokane, Boise, and Helena scheduled to be operational during first quarter 2000.

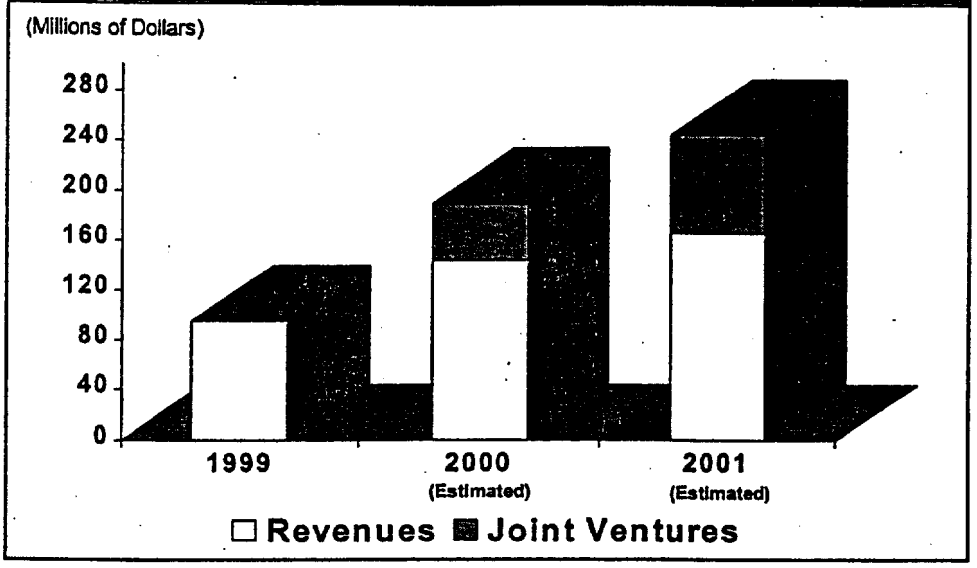
  Initial installation in at least 4 more cities in 2000.

TA's LMDS - PCS Connection

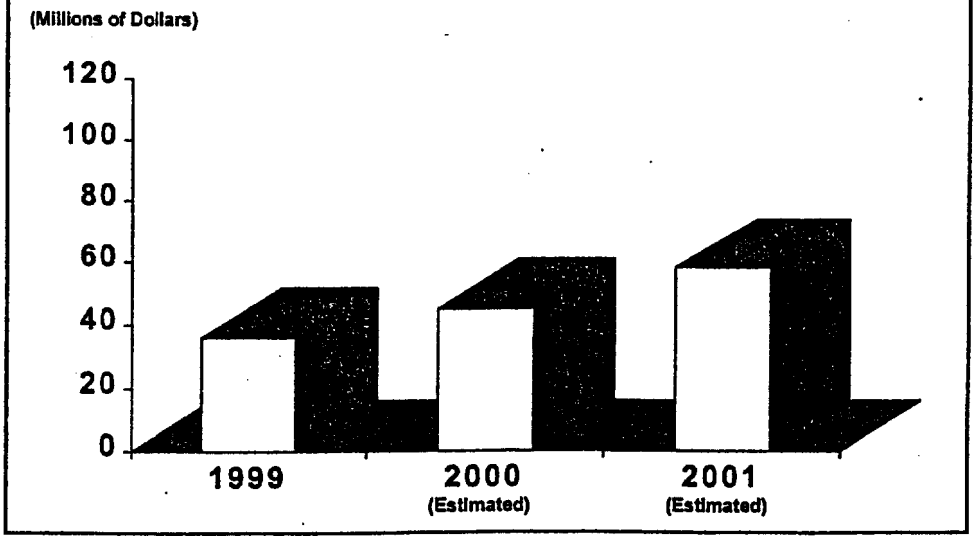


Touch America's Financial Highlights

TA's Revenue Growth

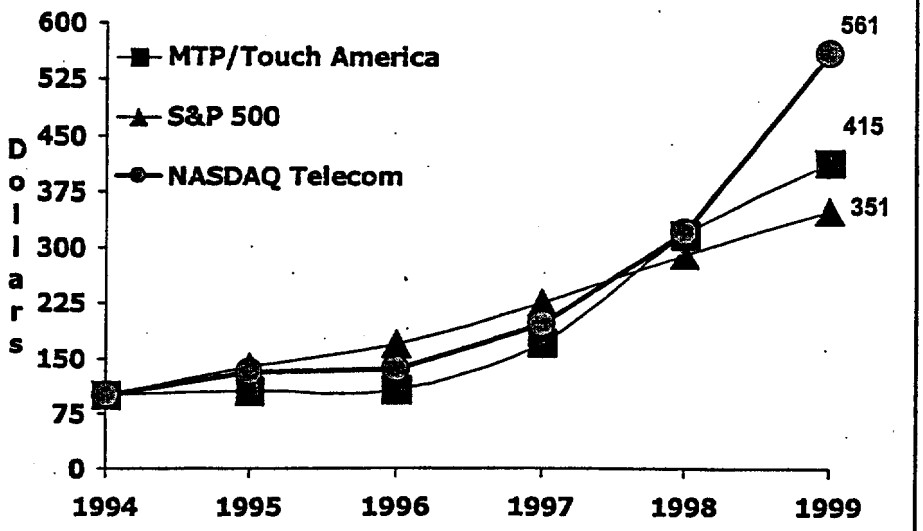


TA's Operating Income (EBIT) Growth

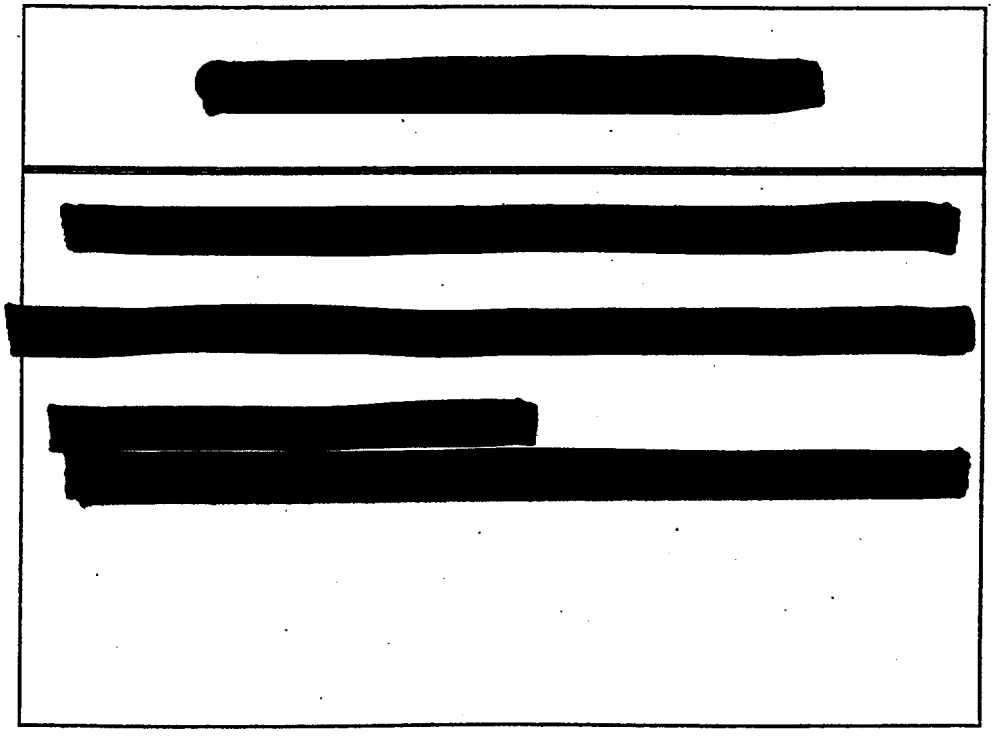


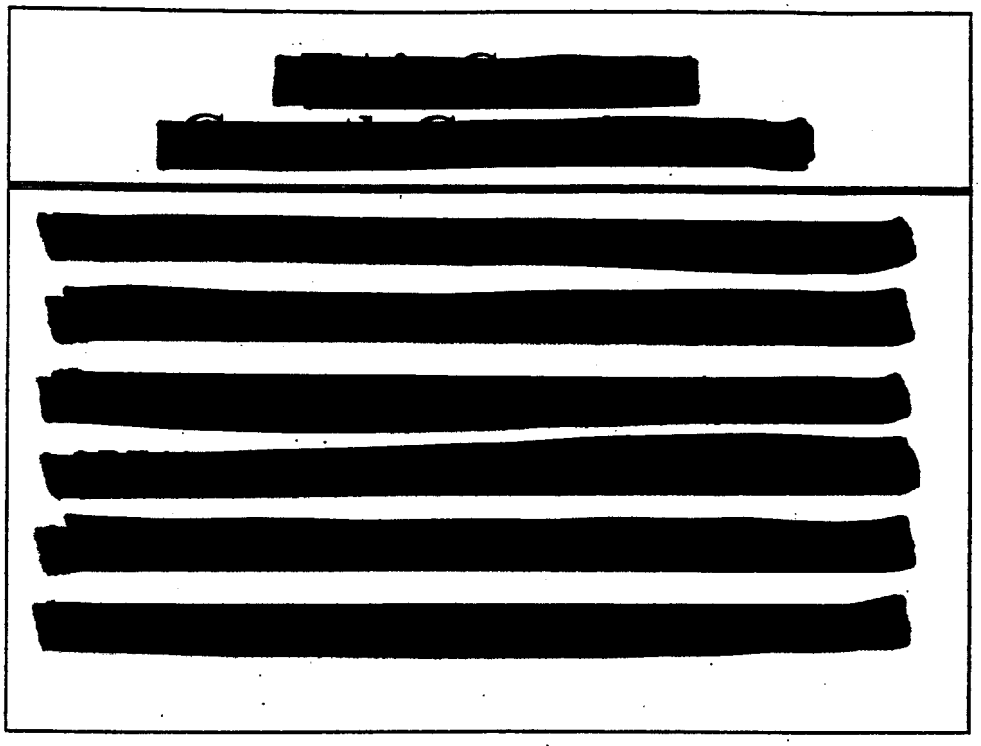
Five-Year Total Return

Montana Power/Touch America compared to S&P 500 Index & NASDAQ Telecom Index*



* $100 invested on December 31, 1994, in stock or index, with re-investment of dividends.
Fiscal year ending December 31.





Summary

Capture Touch America's tremendous growth prospects by:

- Utilizing continental broadband network and regional wireless licenses.
- Providing state-of-the-art services.
- Maintaining low-cost, profitable operations.
- Being well-financed to support future activities.

For additional information or for copies of reports, press releases, etc., contact:

Linda McGillen
Director, Investor Relations

Phone: 406 496 5211

E-Mail: lmcgillen@mtpower.com

Be sure to visit our new investor web page at *www.mtpower.com\invest.*

Recent Touch America News Releases

Touch America is a wholly-owned telecommunications subsidiary of The Montana Power Company (NYSE:MTP), providing long distance services, private line services, Internet, and business telephone equipment since 1983. The company's digital fiber optic network employs the most advanced telecommunications technology available today. Touch America offers a full line of long distance services, as well as dedicated voice, data, video services and frame relay solutions. Touch America's equipment services include design, installation, and maintenance of PBX and key systems. The company also offers construction management oversight of the installation of fiber optic systems. Touch America and the Montana Power Company are based in Butte, MT. Information about Touch America can be found at http://www.mtpower.com/.

The following material contains certain "forward-looking statements" within the meaning of the federal securities laws. Although the Company believes that the expectations reflected in such statements are reasonable, there can be no assurance that the expected results will be achieved. For additional information concerning certain assumptions, risks and uncertainties involved in the forward-looking statements contained herein, please refer to the Company's reports on file with the SEC.

News Release

AEP AND TOUCH AMERICA TO CONNECT FIBER-OPTIC NETWORKS

Columbus, Ohio and Butte, Mont. (February 7, 2000) -- The telecommunications subsidiaries of two energy companies have formed American Fiber Touch LLC, to connect national and regional fiber-optic networks.

American Fiber Touch is a 50-50 joint venture between AEP Communications LLC, a subsidiary of American Electric Power (NYSE:AEP), and Touch America, the telecommunications subsidiary of The Montana Power Co. (NYSE:MTP).

Both Touch America and AEP Communications will fund the venture with a combination of cash, assets and in-kind services valued at $25 million. The first project for American Fiber Touch is the construction of a 330-mile-long fiber route between St. Louis and Plano, Illinois, near Chicago, which passes through Springfield and Peoria. Construction is underway and should be completed in December.

Future routes may be deployed to provide bandwidth for customers in need of route diversity and access to markets in the Midwest. American Fiber Touch will have administrative offices in Butte, Mont., and will initially receive support and services from Touch America and AEP Communications.

"This first route is a strategic step that will provide a physical interconnection between AEP's fiber east of Chicago and Touch America's vast fiber network," explained Pete Thomas, vice president of AEP Communications.

"Touch America and AEP Communications have been aggressively marketing fiber capacity. This interconnection and the creation of American Fiber Touch will complement the assets of both companies," Thomas said.

According to Mike Meldahl, president of Touch America, the economics on this route are consistent with the company's low cost provider position for its national fiber-optic network that will reach upwards of 26,000 miles by yearend 2001.

"While this route is just a part of Touch America's previously announced $500 million build, today's announcement begins to develop a strategy for connecting communities in the country's heartland," he said. "We like joining with strong regional players who have a significant marketing presence and who can take advantage of the companies' combined strengths. American Fiber Touch will accomplish this goal."

News Release

PF.NET AND TOUCH AMERICA EXCHANGE FIBER AND CONDUIT IN A MAJOR AGREEMENT TO EXPAND THEIR NETWORKS

Washougal, WA (January 25, 2000) – Touch America, the telecommunications subsidiary of The Montana Power Co. (NYSE:MTP) and PF.Net, a privately held company, announced today a major agreement to exchange fiber, conduit and cash, increasing significantly both companies' fiber-optic networks.

Touch America receives approximately 5,900 route miles of fiber from PF.Net, extending Touch America's fiber-optic network of duct and fiber, built and under contract, from 16,000 miles to 22,000 miles. All segments are to be completed by yearend 2001.

PF.Net receives approximately 4,400 route miles of fiber from Touch America, plus $48.5 million in cash for the difference in route miles. This expansion will extend PF.Net's fiber-optic network of duct and fiber beyond 10,800 miles. It also is to be completed in 2001.

PF.Net will receive network route miles connecting Denver to Dallas, Chicago, Minneapolis, Milwaukee, Detroit, Salt Lake City, Reno, Sacramento, Omaha, Des Moines and Colorado Springs.

Touch America will expand its network from Los Angeles to San Diego, Phoenix, El Paso, Dallas, Austin, San Antonio, Houston, New Orleans, Jacksonville, Orlando, Greensboro, Washington D.C., New York City, Tulsa, Kansas City, and St. Louis.

In addition to the exchange of fibers, the parties have also agreed to exchange conduit on some of these routes.

"PF.Net and Touch America are building highly complimentary nationwide networks," said John Warta, PF.Net co-founder and executive director. "This agreement just seemed to be a natural fit."

Warta said PF.Net's network will be IP-based and equipped to handle the exponential growth in network traffic. "PF.Net will deliver the most advanced applications and access technologies to customers nationwide," he added.

"This exchange brings us closer to our desired 23,000-mile network by yearend 2001 and furthers our strategy to be a national provider of fiber-optic services by continuing to take advantage of cost-effective opportunities to expand our network," said Mike Meldahl, Touch America's president. "This build will keep us the low-cost provider of fiber-optic services coast-to-coast and border-to-border. Touch America uses the latest fiber optics technology and optronics (optical electronics installed along the route to transmit pulses of laser light through the

fiber) on its network, including transport systems with Dense Wavelength Division Multiplexing (DWDM) delivering up to 80 gigabits per second on a single-fiber OC-192 system.

Touch America also uses IP (Internet Protocol), frame relay, and ATM (asynchronous transfer mode) switching to meet growing volumes of diverse needs in data, voice and video traffic. The flexible and scaleable switching allows top speed and capacity on Touch America's fiber network. (See http://www.mtpower.com/headlines/map.htm)

News Release

TOUCH AMERICA DETAILS ITS ROLE IN TODAY'S AT&T FIBERBUILD ANNOUNCEMENT

Butte (December 6, 1999)—In response to unprecedented growth in demand for high-speed bandwidth and Internet-based services, AT&T today announced an aggressive plan to work with three companies to add a new overlay state-of-the-art fiber-optic network that will link 30 major metropolitan areas nationwide.

One of the three companies is **Touch America,** the telecommunications subsidiary of the Montana Power Company (NYSE:MTP)

Following is background regarding Touch America's role in this project:

- Touch America has been awarded a contract by AT&T to build 4,320 miles of high-speed long haul, fiber-optic network.

- This means Touch America will expand its 12,000-mile fiber network by 36%, as the AT&T contract allows Touch America to install a similar fiber-optic network for itself. Thus, Touch America will have an 18,000-mile fiber network by yearend 2000 plus additional means to reach a 23,000-mile network by yearend 2001.

- Touch America's estimated costs to construct the entire six-route network is more than $500 million. The company expects various third parties to cover half, or more than $250 million, of these costs.

- The AT&T contract has performance incentives and penalties for aggressive completion targets, which are capped for acceptable levels of risk.

- According to Touch America's President Mike Meldahl, this agreement keeps Touch America on-track to expand its low-cost network to a continental presence by yearend 2000 and provides for additional capacity expansions into 2001, when the AT&T build is scheduled to be completed. It also provides access to customers through "last-mile" connections where:

  1. The company holds Local Multipoint Distribution Service (LMDS) and Personal Communication Service (PCS) licenses;
  2. The company has agreements to provide Internet and long distance services for local exchange carriers, such as Iowa Telecommunications Services, of which Touch America owns 38 percent; and
  3. The company has partnered with others to provide high-speed bandwidth for business and government applications, such as Touch America-Colorado, the company's joint venture

with New Century Energy of Denver to provide additional "direct connect" fiber-optic capacity to the greater Denver Metropolitan area.

- The six new builds touch 13 states; their approximate lengths and percentage of the total 4,320 miles are:

1. Denver east to Chicago through Chappell, Grand Island and Omaha in Nebraska; Des Moines and Davenport in Iowa; and Plano and Oakbrook in Illinois -- 1,110 miles, or 25.7%;
2. Seattle east to Billings, Montana through Yakima and Spokane in Washington and Missoula, Helena and Bozeman in Montana -- 1,025 miles, or 23.7%.
3. Sacramento west to Salt Lake City through Reno, Nevada, and Brigham City and Ogden in tah -- 770 miles, or 17.8%;
4. Salt Lake City east to Denver through Laramie and Cheyenne in Wyoming and Longmont, Colorado -- 590 miles, or 13.7%;
5. Minneapolis-St. Paul east to Chicago through Eau Claire, Madison, Waukesha and Milwaukee -- 495 miles, or 11.5%;
6. St. Louis north to Plano, Illinois, through Collinsville, Springfield and Peoria -- 330 miles, or 7.6%;

While the details are proprietary, this is generally the way it works for Touch America:

- For each build, Touch America installs five conduits and fiber-optic cable for itself and AT&T, initially with both companies' fiber in one of the conduits. Plans are generally for up to six conduits in the build, three of which will be owned by AT&T.
- Touch America and AT&T provide least-cost right-of-way and both, but more likely AT&T, will provide cable splicing and testing;
- Each company can light the fiber for its own capacity needs, as well as for third parties;
- Additionally, to defray construction costs, the two companies have entered a joint agreement to market pooled fiber.

News Release

TOUCH AMERICA COMPLETES FIBER-OPTIC LINK FROM DENVER TO DALLAS

BUTTE (November 17, 1999) -- Touch America, the telecommunications subsidiary of The Montana Power Company (NYSE:MTP), announced today ductwork, fiber installation and regeneration sites are complete on its 1,020-mile, $50 million fiber-optic network link between Denver and Dallas.

Optronics are being installed now and Touch America expects the new segment will be tested, fully operational and accepting commercial traffic in December, on schedule. Touch America said the Denver-Dallas fiber-optic route provides opportunities for additional wholesale traffic on its network. Capacity contracts to date on the Denver-Dallas expansion will add new revenues of $20 million annually when the new route goes commercial.

In addition to providing broadband services to Denver and Dallas, the new route passes through Colorado Springs and Pueblo in Colorado, and Amarillo, Lubbock and Wichita Falls in Texas.

"The Denver-Dallas build is our entrance to Texas and the southern tier states," said Mike Meldahl, Touch America's president. "Contracts are pending for system expansions from Los Angeles to Dallas through San Diego and Phoenix, from Dallas to Houston through Austin and San Antonio, and from Houston east to Florida through New Orleans. These and other builds will increase our network to 18,000 route miles by yearend 2000 and 23,000 route miles by yearend 2001."

The Dallas-LA link will create rings of fiber optics for Touch America and will provide instant restoration of service and increased reliability for the company's backbone fiber-optic network, especially in regards to its Pacific Northwest and Rocky Mountain segments.

Fully redundant synchronous optical network architecture -- known as SONET rings -- has at least two counter-rotating rings between any two points on a network. If fiber is accidentally cut or fails, traffic can be rerouted instantaneously in another direction and is undetectable to customers.

The Dallas-LA route will connect with Touch America's Seattle-Los Angeles inland (Boise, Salt Lake City and Las Vegas) and coastal (Portland, Sacramento, and San Francisco) routes. The planned expansion from Salt Lake City to Denver, scheduled for service in 2000, will create additional SONET rings with Touch America's route from the Alberta, Canada border to Denver, which also connects to a Chicago-Seattle link.

"As we complete the SONET rings, our communications reliability and service will improve, while opening up new markets," Meldahl said.

News Release

Touch America launches wireless, high-speed broadband LMDS service in Butte

BUTTE, Montana (November 5, 1999) --Touch America, the telecommunications subsidiary of The Montana Power Company (NYSE:MTP) announced today its new wireless, high-speed LMDS (local multipoint distribution service) network has been successfully tested in Butte and is now ready for commercial operation.

Touch America is offering full voice and data services on its LMDS network to business and governmental customers in Butte, including data services to the Butte Public School District. The district's LMDS wide-area network links an initial 12 sites, providing data, Intranet and external Internet access. Tetragenics, a Montana Power automation control and engineering company, along with Nortel Networks of Dallas, installed the LMDS system in Butte.

"Butte is the second of 25 presently anticipated commercial applications of LMDS technology," said Mike Meldahl, Touch America's president. "The LMDS system is cost competitive and reliable, and with the flexibility to provide up to 10 megabits of just-in-time capacity, the reception to date has been higher than anticipated. We have just completed expanding the capacity of our LMDS system in Billings, which was our first LMDS rollout and the first commercial LMDS system in the United States."

The company expects two additional LMDS system installations to start in 1999 and the rest of the systems to be installed through 2002. Nortel Networks and Tetragenics are doing the engineering and installation work for the system. Tetragenics will handle additional customer activity on the systems.

"With the new broadband wireless access technology, Touch America with the help of Tetragenics can build out LMDS networks economically and rapidly," Meldahl said. "With low-cost and speed-to-market advantages, we are able to offer our customers 'last mile' integrated voice, data, video and Internet services at a price and with the rapid access to the services they desire," he added.

Meldahl said Touch America anticipates spending $15 million to build out its initial LMDS footprint in 25 cities, and will add additional capacity, as business needs dictate. "This will allow us to grow profitably, while adding more traffic to our growing national 15,000-mile, fiber-optic network," he said.

According to Liza Dennehy, Touch America's general manager of local access, with the network up and running in Butte customers will soon see the reliability and rapid data throughput they can get from the new network. "The data speeds are great," she said.

She added, "This rapid exchange of information, for example, will help students at multiple locations access the Internet at the same time without loss of speed, while maintaining administrative applications in the schools. And the system is flexible enough to add capacity for special projects or to reduce capacity at the end of the school year with a simple computer entry. The school will end up paying for just what it needs."

Touch America acquired 24 licenses covering 30 cities at federal auction in 1998. The LMDS licenses cover significant portions of the inland Pacific Northwest, northern and central Rocky Mountain regions, and the northern Plains states from Wenatchee, Washington east to St. Cloud, Minnesota and from the Montana-Canadian border south to Fort Collins, Colorado and Provo, Utah. The BTAs range in size from about 50,000 people to more than 600,000 people.

News Release

Touch America Launches Wireless, High-speed Broadband LMDS Commercial Service

BILLINGS, Montana (September 21, 1999) -- Touch America, the telecommunications subsidiary of The Montana Power Company (NYSE:MTP) of Butte, Montana announced today its new wireless, high-speed LMDS (local multipoint distribution service) network has been successfully tested in Billings and is now in commercial operation.

The system uses Nortel Networks (NYSE/TSE: NT) Reunion©, a point to multipoint broadband wireless access product.

Touch America is offering full voice and data services on its LMDS network to business and governmental customers in Billings, including data services to the Billings Public School District. The district's LMDS wide-area network links an initial nine sites providing data, Intranet and external Internet access. Tetragenics, a Montana Power automation control and engineering company, along with Nortel Networks, installed the LMDS system in Billings.

The Nortel Networks Reunion broadband wireless access solution, part of the company's Unified Networks© offerings, is a digital ATM-based point to multipoint technology operating from 24-gigahertz (GHz) to 42-GHz and delivering high-speed, high-capacity voice, data, Internet and video services for LMDS operators targeting business customers.

Touch America's LMDS licenses are in the 28-gigahertz (GHz) portion of the communication spectrum. ATM, or Asynchronous Transfer Mode, is a protocol that allows different media to be transported simultaneously on one broadband network.

"Billings is the first of 25 presently anticipated commercial applications of LMDS technology," said Mike Meldahl, Touch America's president. "The LMDS system is cost competitive and reliable, and with the flexibility to provide up to 10 megabits of just-in-time capacity, the reception to date has been higher than anticipated. We already are in the process of expanding the capacity of our Billings system."

Touch America also is building in Butte a LMDS system that will begin operations in October. The company expects two additional builds in 1999 and the rest of the systems to be installed through 2002. Nortel Networks and Tetragenics are doing the engineering and installation work in Butte, with Tetragenics planning to perform these activities on future deployments.

"With the new broadband wireless access technology, Touch America with the help of Tetragenics can build out LMDS networks economically and rapidly," Meldahl said. "With low-cost and speed-to-market advantages, we are able to offer our customers 'last mile' integrated voice, data, video and Internet services at a price and with the rapid access to the service they desire," he added.

Meldahl said Touch America anticipates spending $15 million to build out its initial LMDS footprint in 25 cities, and will add additional capacity, as business needs dictate. "This will allow us to grow profitably, while adding more traffic to our growing national 15,000-mile, fiber-optic network," he said.

With the network up and in use, customer Steve Greene, technology director of the Billings School District, said, "I am very impressed with the reliability and rapid data throughput we are getting from the new network. The data speeds are great."

He added, "This rapid exchange of information helps students at multiple locations access the net at the same time without loss of speed, while maintaining administrative applications in the schools. And the system is flexible enough to add capacity for special projects or to reduce capacity at the end of the school year with a simple computer entry. We end up paying for just what we need."

"Touch America's successful launch of commercial service on a 28GHz network marks a major milestone for the LMDS marketplace," said Mike Andreatos, vice president and general manager, Nortel Networks, Broadband Wireless Access. "We look forward to continuing to work together on key service solutions."

Touch America acquired 24 licenses covering 30 cities in the FCC 1998 auctions of 28 GHz spectrum. The LMDS licenses cover significant portions of the inland Pacific Northwest, northern and central Rocky Mountain regions, and the northern Plains states from Wenatchee, Washington east to St. Cloud, Minnesota and from the Montana-Canadian border south to Fort Collins, Colorado and Provo, Utah. The BTAs range in size from about 50,000 people to more than 600,000 people.